What is claimed is:

1. A method for creating and valuing financial instruments based upon average credit spreads which compile average credit spread information in market segments defined by geography, credit history, industry type, industry size, firm size, provision of collateral, third-party guarantee, or type of debt obligation.

2. The method of claim 1, where the future value of said financial instrument is calculated by inputting historical average credit spread information and / or predicted future average credit spread information and / or financial information, interest rate(s), currency denomination(s), and start date and date of expiry of each contract into a pricing model including but not limited to trinomial, binomial, Monte Carlo simulation, or Black-Scholes model.

3. The method of claim 2, wherein said financial instrument may be comprised of multiple financial instruments involving at least one financial instrument based upon an average credit spread, or is based upon multiple average credit spreads for different market segments, including but not limited to asset-backed securities, basket options, chooser options, option chains, or rainbow options.

4. A method for disseminating information for a financial instrument related to at least one average credit spread, comprising the steps of:

a. quoting prices, historical average credit spread information and / or predicted future average credit spread information and / or metrics (ex. prices, open interest, 90-day volatility) on contracts of an average credit spread linked financial instrument.

b. using an information distribution medium, either physical or electronic, to disseminate said information of claim a. to users of this information.

5. A computer-implemented method for creating and valuing a financial instrument based upon average credit spreads which compile credit spread information in market segments defined by

geography, credit history, industry type, industry size, firm size, provision of collateral, third-party guarantee, or type of debt obligation.

6. The method of claim 5, where the future value of said financial instrument is calculated by inputting historical average credit spread information and / or predicted future average credit spread information and / or financial information, interest rate(s), currency denomination(s), and start date and date of expiry of each contract into a pricing model including but not limited to trinomial, binomial, Monte Carlo simulation, or Black-Scholes model.

7. The method of claim 6, wherein said financial instrument may be comprised of multiple financial instruments involving at least one financial instrument based upon an average credit spread, or is based upon multiple average credit spreads for different market segments, including but not limited to asset-backed securities, basket options, chooser options, option chains, or rainbow options.

8. A computer-implemented method for determining the volatility of financial instruments based upon average credit spreads which compile credit spread information in market segments defined by geography, credit history, industry type, industry size, firm size, provision of collateral, third-party guarantee, or type of debt obligation.

9. The method of claim 8, where the volatility of said financial instrument is calculated by inputting historical average credit spread information and / or predicted future average credit spread information and / or financial information, interest rate(s), currency denomination(s), and start date and date of expiry of each contract into a pricing model including but not limited to trinomial, binomial, Monte Carlo simulation, or Black-Scholes model.

10. The method of claim 9, wherein said financial instrument may be comprised of multiple financial instruments involving at least one financial instrument based upon an average credit spread, or is based upon multiple average credit spreads for different market segments, including but not limited to asset-backed securities, basket options, chooser options, option chains, or rainbow options.

11. A computer system for creating and valuing a financial instrument based upon average credit spreads which compile credit spread information in market segments defined by geography, credit history, industry type, industry size, firm size, provision of collateral, third-party guarantee, or type of debt obligation., comprising:

a. a computer connected to an average credit spread history database and / or a predicted future average credit spread database and / or financial database that creates and values a financial instrument under conditions where the future value of said financial instrument is calculated by inputting historical average credit spread information and / or predicted future average credit spread information and / or financial information, interest rate(s), currency denomination(s), and start date and date of expiry of each contract into a pricing model including but not limited to trinomial, binomial, Monte Carlo simulation, or Black-Scholes model.

b. at least one workstation that allows a user to specify inputs that affect the value of the average credit spread financial instrument.

12. A computer program product comprising a computer-usable medium having control logic stored therein for causing a computer to perform valuation of average credit spread linked financial instruments, said control logic comprising:

a. a computer readable program code means that causes the computer to create and value a financial instrument based upon average credit spreads which compile credit spread information in market segments defined by geography, credit history, industry type, industry size, firm size, provision of collateral, third-party guarantee, or type of debt obligation.

b. a computer readable program code means for valuing a financial instrument based upon average credit spreads by inputting historical average credit spread information and / or predicted future average credit spread information and / or financial information, interest rate(s), currency denomination(s), start date and date of expiry of each contract, and / or cost of the financial

instrument into a pricing model including but not limited to trinomial, binomial, Monte Carlo simulation, or Black-Scholes model.

c. the method of claim b., where the future value of said financial instrument is a defined currency amount and the initial value is calculated by utilizing computer readable program code for applying a pricing model using historical average credit spread information and / or predicted future average credit spread information and / or financial information, interest rate(s), currency denomination(s), and start date and date of expiry of each contract.